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FM AMEMBASSY MANAGUA
TO RUEHC/SECSTATE WASHDC 4114
INFO RUEATRS/DEPT OF TREASURY WASHINGTON DC
RUEHZA/WHA CENTRAL AMERICAN COLLECTIVE

UNCLAS MANAGUA 000465

STATE FOR WHA/CEN, EB/IFD/OIA, AND L/CID
STATE ALSO FOR WHA/EPSC
STATE PASS TO USTR
TREASURY FOR INL AND OWH

SIPDIS
SENSITIVE

E.O. 12958: N/A
TAGS: [EINV](#) [ECON](#) [USTR](#) [KIDE](#) [NU](#)
SUBJECT: NICARAGUA: GON UNDER PRESSURE TO RESOLVE CLAIMS

REFS: A) 08 MANAGUA 1370, B) 08 MANAGUA 1243, C) MANAGUA 160, D) 08 MANAGUA 274, E) 08 MANAGUA 1546,

SUMMARY

[1](#)1. (SBU) During the April 30 Property Working Group meeting, Ruth Zapata, Head of the Office of Assessment and Indemnification, said the Government of Nicaragua (GON) is taking a more flexible approach to work on U.S. citizen claims. Rebeca Zuniga, Coordinator of the Liaison Office for U.S. Citizen Claims, told us that the GON is working diligently to resolve claims subject to U.S. congressional attention and those that had been dismissed under Decrees 3 (1979) and 38 (1979). Econoff raised concerns about a reported confiscation involving the property of a U.S. citizen, and the Attorney General's policy of arguing in favor of illegal occupants in court. As the end of the 2008-09 waiver year draws near, GON officials seem to be feeling the pressure to qualify for another Section 527 waiver. End Summary.

MORE FLEXIBILITY IN ADVANCING CLAIMS

[1](#)2. (SBU) On April 30, Econoff met with Ruth Zapata, Head of the Office of Assessment and Indemnification (OCI), Jeanette Garcia, President of the National Confiscations Review Commission (CNRC), Magally Bravo, Executive Coordinator for property issues for the Attorney General's Office, and Rebeca Zuniga, Coordinator of the Liaison Office for U.S. Citizen Claims for the monthly Property Working Group meeting. Zapata asserted that the GON is adopting a more flexible approach in working on U.S. citizen claims. She acknowledged pressure from Attorney General Hernan Estrada to resolve as many claims as possible before the end of the waiver year. For this reason, OCI was willing to pay the higher settlements proposed by previous governments (Ref A). Zapata instructed Zuniga to draft detailed explanations of settlement offers to claimants, such as Bayardo Alfaro and Uri Kollnesher, so that they understood the offers or to propose alternative solutions to settle their claims (Ref B).

ADVANCING CLAIMS WITH USG ATTENTION

[1](#)3. (SBU) Zuniga told us that the GON is working diligently to resolve claims that have received significant U.S. congressional attention and those that had been dismissed under Decrees 3 (1979) and 38 (1979), which authorized the confiscation of property belonging to Somoza family members and "their allies." Zuniga said she hopes to settle the cases of Domingo Calero, Juan Barreto and Eddy Viquez during this waiver year (Ref C). Zuniga added that she would propose final settlements to five U.S. citizens subject to Decrees 3 and 38 with a total of 12 dismissed claims in May and June [Note: The claims of Domingo Calero are also subject to Decree 38. End Note.]

PROPERTY CONFISCATION AGAINST A U.S. CITIZEN

[1](#)4. (SBU) Econoff raised concern about a reported property confiscation against U.S. citizen Leonidas Guadamuz (Ref D). On April 15, the legal representative of Mr. Guadamuz told the Embassy Property Office that the GON had confiscated his property without compensation. On April 23, the Ambassador inquired about the case in a letter to Attorney General Estrada. Econoff asked CNRC

President Garcia to look into it, noting that any confiscation against U.S. citizen property would negatively impact the GON's effort to get a Section 527 waiver. Garcia assured Econoff that she would investigate the case and that Estrada would formally respond to the Ambassador's letter.

CLAIMS IN COURT

15. (SBU) Econoff also raised the claim of U.S. citizen Yolando Diaz, who went to court to recover possession of her property only to have the National Property Appeals Court, the highest court for property matters, rule in favor of the illegal occupant. Econoff highlighted that the Attorney General's Office withdrew its support on behalf of Mrs. Diaz and instead filed a petition on behalf of the illegal occupant. Econoff noted that this is the third court case where U.S. claimants have complained about the Attorney General switching sides in court [Note: Under Nicaraguan law, the Attorney General is supposed to pursue property restitution on behalf of aggrieved claimants. End Note.] Econoff argued that this action undermines the rule of law in Nicaragua and discourages claimants from using the GON to advance claims in court (E). Bravo promised to look into the case.

COMMENT

16. (SBU) As the end of waiver year draws near, GON officials are feeling the pressure. GON officials have started contacting the Property Office to request that we persuade claimants to accept compensation offers. During the Working Group meeting, GON officials asked the Embassy to contact several U.S. claimants to inform them that their compensation offers are ready. We suspect that Estrada believes that Nicaragua would be in a good position to receive a waiver if he can equal or better the number of claims resolved last year, i.e., 42.

CALLAHAN